

## NEW ZEALAND MARKET FOCUS

13 November 2017

### INSIDE

Economic Overview	2
Data Event Calendar	6
Local Data Watch	8
Key Forecasts	9

### NZ ECONOMICS TEAM

**Philip Borkin**  
Senior Economist  
Telephone: +64 9 357 4065  
Email: Philip.Borkin@anz.com

**Kyle Uerata**  
Economist  
Telephone: +64 4 802 2357  
E-mail: Kyle.Uerata@anz.com

**Con Williams**  
Rural Economist  
Telephone: +64 4 802 2361  
E-mail: Con.Williams@anz.com

**Sharon Zollner**  
Senior Economist  
Telephone: +64 9 357 4094  
E-mail: Sharon.Zollner@anz.com

## MORE NUANCED

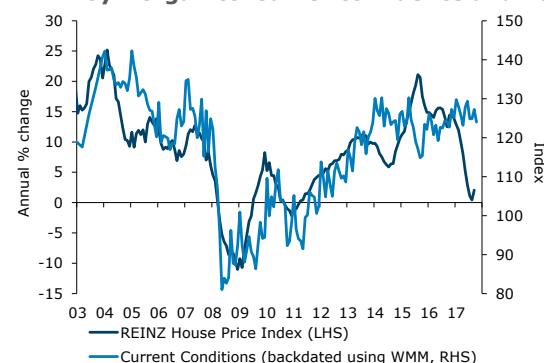
### ECONOMIC OVERVIEW

Our views on the economic outlook have become more nuanced. While we retain a broadly constructive view of the medium-term growth picture, we have turned more circumspect near term, and see a heightened chance of a growth wobble (in fact we have cut our near-term GDP forecasts). That wobble is not expected to turn into something longer-lasting, but it certainly marks us out as less upbeat than the likes of the Treasury and RBNZ. Above-trend growth is hard to achieve when the most cyclical part of the economy (housing) looks set to remain soft. That has obvious implications for both the outlook for tax revenue and monetary policy, although the picture is complicated by inflation risks that are shifting higher. Cost-push inflation, notably from the labour market, is something that policy makers will need to consider. It points to a shifting mix of monetary conditions (lower NZD/higher interest rates) going forward than would be the case otherwise. In data this week, housing market figures are likely to remain soft, while consumer confidence will be watched to see whether housing weakness is spilling over to the broader economy.

### CHART OF THE WEEK

Consumer confidence has remained elevated, despite the soft housing market and heightened political uncertainty. November figures are out this week.

#### ANZ-Roy Morgan consumer confidence and house prices



Source: REINZ, Roy Morgan, WMM, ANZ Research

### THE ANZ HEATMAP

Variable	View	Comment	Risk profile (change to view)
GDP	2.3% y/y for 2018 Q2	The economy is not quite firing on all cylinders and we have become more circumspect near-term. However, we see growth holding around 2½-3% on average.	Neutral Negative Positive
Unemployment rate	4.5% for 2018 Q2	The unemployment rate should continue to trend gradually lower. Wage growth is benign, but conditions for change are emerging.	Neutral Negative Positive
OCR	1.75% by Jun 2018	While we can't really make the case for a lower OCR, interest rate hikes would also be hard to justify, with inflation impacted by secular forces.	Neutral Down Up
CPI	1.8% y/y for 2018 Q2	Base effects will see headline inflation ease over the next 12 months, but domestic and core inflation should lift gradually.	Neutral Negative Positive

## ECONOMIC OVERVIEW

### SUMMARY

Our views on the economic outlook have become more nuanced. While we retain a broadly constructive view of the medium-term growth picture, we have turned more circumspect near term, and see a heightened chance of a growth wobble (in fact we have cut our near-term GDP forecasts). That wobble is not expected to turn into something longer-lasting, but it certainly marks us out as less upbeat than the likes of the Treasury and RBNZ. Above-trend growth is hard to achieve when the most cyclical part of the economy (housing) looks set to remain soft. That has obvious implications for both the outlook for tax revenue and monetary policy, although the picture is complicated by inflation risks that are shifting higher. Cost-push inflation, notably from the labour market, is something that policy makers will need to consider. It points to a shifting mix of monetary conditions (lower NZD/higher interest rates) going forward than would be the case otherwise. In data this week, housing market figures are likely to remain soft, while consumer confidence will be watched to see whether housing weakness is spilling over to the broader economy.

### FORTHCOMING EVENTS

**REINZ Housing Market Statistics – October** (sometime this week). Sales volumes will likely remain low, while house prices, particularly in Auckland, are likely to continue to flat-line.

**ANZ-Roy Morgan Consumer Confidence – November** (1:00pm, Thursday, 16 November).

**BNZ-BusinessNZ Manufacturing PMI – October** (10:30pm, Friday, 17 November). Activity has been tracking at a reasonable pace, but will political uncertainty dent sentiment?

**PPI – Q3** (10:45am, Friday, 17 November). Commodity prices and wholesale electricity prices typically throw things around. The latter in particular looks set to boost input and output prices in Q3.

**BNZ-BusinessNZ Services PSI – October** (10:30am, Monday, 20 November). As per its manufacturing cousin, we will be watching for any political impact.

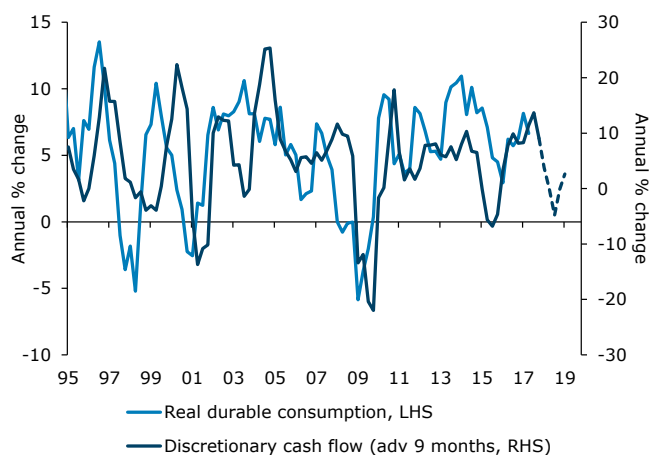
### WHAT'S THE VIEW?

**The chance of a near-term wobble in growth is increasing.** Even prior to the recent period of political and policy uncertainty, we were mindful of the economy potentially experiencing something of a growth air-pocket over the second half of 2017 and into early 2018 as it transitions in terms of some of its growth drivers while simultaneously facing headwinds from a softer housing market, a turn in the credit cycle and broadening capacity pressures.

**More evidence of that growth wobble is starting to emerge, with a number of indicators for Q3 activity looking soggy.** The heavy traffic component of our Truckometer contracted 1.4% q/q in Q3 – the weakest quarterly growth since Q3 2012, though weather may have played a part. Both milk production and livestock slaughtering fell over the quarter. Compared with Q2, visitor arrivals are down 3% as the impact of key sporting events unwinds. While total paid hours rose 0.8% q/q in Q3, growth was softer for some of the services sectors where we use paid hours as an indicator. And core electronic card spending saw its weakest quarterly growth over a September quarter since 2012 (with October figures pretty mediocre too), providing a serious hint that housing market weakness is spilling over.

**And there are broader risks too.** Business sentiment has obviously taken a hit and anecdotes on the housing market have remained weak post-election. The latter is hardly surprising given some of the more interventionist measures being proposed. We are certainly keeping a close watch on market listings. They are low across the country right now, but if they start to increase, perhaps as investors look to exit, then the risk profile for prices would be skewed lower. Net migrant inflows have already started to soften and indicators on construction have been a little ho-hum as the sector struggles with capacity, costs and capital pressures. Additionally, we are also picking up that bigger-ticket spending (car sales especially) have been sharply weaker of late, which again hints at housing market spill-overs. Weaker spending growth would certainly not be inconsistent with the signal provided by the likes of our estimate of household discretionary cash flow.

**Figure 1: Household discretionary cash flow and durable consumption**



Source: Statistics NZ, ANZ Research

**It all leaves us a little circumspect, and we have decided to further trim our near-term GDP**

## ECONOMIC OVERVIEW

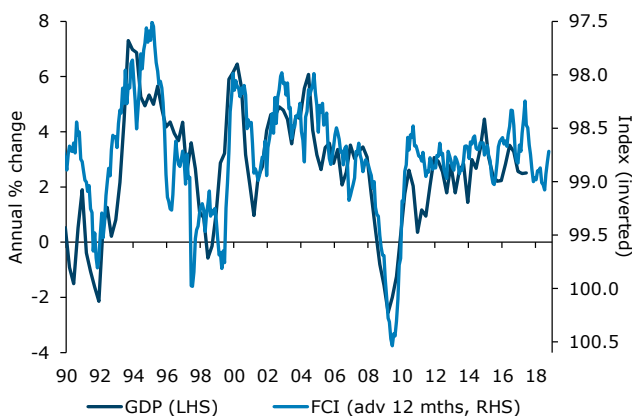
**growth forecasts.** There are still a number of partial indicators to be released, and the possibility of some historical revisions to the level of GDP complicate the picture too, but for now we see Q3 GDP growth at just 0.3% q/q. We have also pencilled in a modest 0.5% q/q lift in Q4. At a time when the population is still growing at around a 0.5% quarterly pace, it is hardly a positive per capita message.

**But it should be emphasised that we do not believe this wobble will turn into something longer-lasting.** Yes, the economic cycle is reasonably mature; firms are telling us that finding skilled staff is still a huge problem. That is not something that can be resolved quickly. Housing market weakness looks set to persist, and hence so too the risks of broader spill-overs to the rest of the economy. For all that though, we are not forecasting large outright falls in house prices (that would require a lift in forced sales in our view, which we don't expect).

**There are reasons for optimism regarding the medium-term outlook.**

- **Financial conditions have eased.** The lower NZD, in conjunction with still-reasonable commodity prices (although we are watching dairy developments closely), is a supportive signal.

**Figure 2: Financial conditions and GDP**

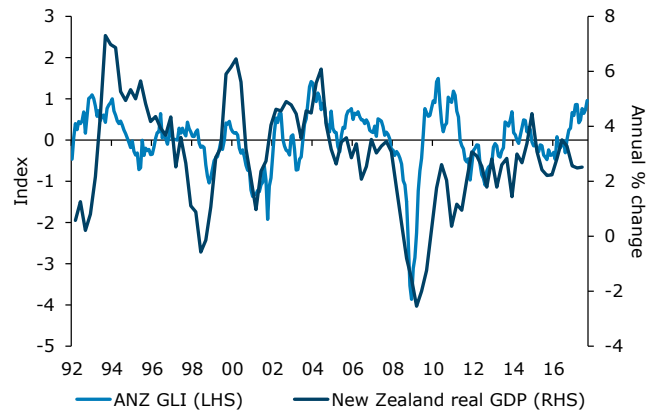


Source: Statistics NZ, ANZ Research

- **Structural metrics are in far better shape than they have typically been at this point in the cycle.** The current account deficit is contained, net external debt levels have fallen, prudential measures have helped cool financial stability risks, and there is no over-supply of houses. These factors don't remove the possibility of a cycle downturn. However, when imbalances are at extremes, they can certainly exacerbate swings. Those risks are relatively low right now.

- **The global economic backdrop is solid.** Yes, there are risks in pockets of global financial markets, but right now the global economy is experiencing its strongest and most broad-based period of growth since the financial crisis. It would be unusual for the New Zealand economy to embark on an entirely different path.

**Figure 3: ANZ Global Leading Indicator and NZ GDP**



Source: Statistics NZ, ANZ Research

- **The biggest headwinds from the credit cycle are arguably behind us.** Over the past 12 months or so, banks have restrained credit and competed more aggressively for domestic deposits as they have attempted to close a funding gap. Looking at the quarterly change in household lending and deposits as a proxy, that 'gap' has closed a great deal. While we are not expecting the credit flood-gates to open by any means (things like the RBNZ's review of bank capital are still lingering in the background), as a cyclical driver, credit dynamics should turn more neutral.
- **Alternative growth drivers domestically will emerge.** Fiscal stimulus is the obvious #1 candidate, and some of the numbers at face value look large. In 2018/19 alone, the new Government is proposing spending an additional \$3.5bn (which doesn't include new capital spending or additional initiatives from the coalition agreements). All else equal, things like the proposed families package will arguably have a bigger spending impact given that it will put additional money in the pockets of those with a higher propensity to consume.

**So for now we are happy to retain a broadly positive medium-term expectation, with growth returning to more-or-less trend rates.**

Notwithstanding the near-term risks, we forecast annual growth up towards 3% by the end of 2018, and averaging 2½-3% over the next couple of years

## ECONOMIC OVERVIEW

overall. **However, it is clearly a far more nuanced story and one where there is heightened uncertainty and a number of moving parts.**

**It also means that we are less optimistic on the growth outlook than the RBNZ and Treasury.**

There appear to be two main areas where our view differs:

- 1. We see the soft housing market as likely to have more of a negative influence on consumption.** Even if the relationship between house prices and consumption growth is not as strong as it once was, we still expect there to be some negative seepage – we are arguably seeing that already in softer spending data. We acknowledge that the outlook for household income growth still looks reasonable. That is important. However, we can envisage a scenario where at a time when the asset side of the balance sheet is looking a little shaky, that households will look to lift precautionary savings (i.e. not spend the full income windfall). Additionally, history has taught us that at the very least, it is difficult for the economy to grow above trend when the most cyclical part of the economy is soft.
- 2. We see a higher chance of private sector activity being crowded out by the public sector boost,** particularly in the construction sector. Simply adding new public spending to growth forecasts is too simple by half, especially at a time when a number of sectors are already dealing with capacity pressures (and migration restrictions have the potential to accentuate that). Yes the likes of the KiwiBuild program aims to circumvent one constraint that the sector has been grappling with – access to capital – given that it puts the Government’s balance sheet to work. However, the key issues surrounding capacity and labour resourcing remain.

**All else equal, this less-optimistic growth outlook will be relevant for the likes of tax revenue generation (there will be fiscal slippage) and the monetary policy outlook.**

**However, the picture is complicated by the fact that risks on the inflation outlook are beginning to point one way – the other way** (and we have altered our inflation forecast to reflect the latest oil and NZD moves). Growth around trend (i.e. the output gap holding close to zero) is not going to be sufficient to see domestic inflation pressures run away. And some of the new Government’s policies, like a free year of tertiary education, will also have a direct negative impact on inflation. But it is the cost-push nature of some of the policies, particularly with

regards to the labour market, that will have inflationary consequences.

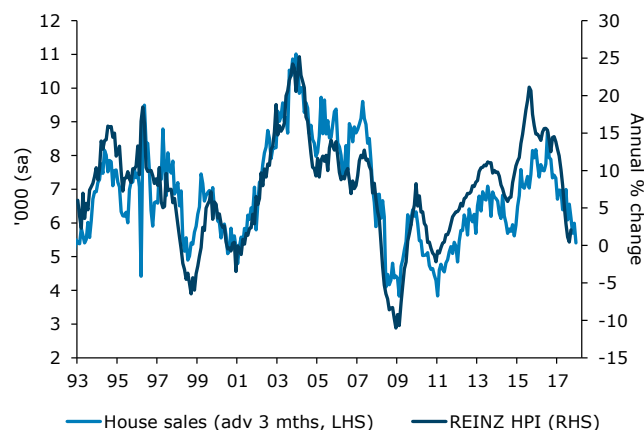
**We are still gathering our thoughts on what it could mean for monetary policy and in particular the timing of future OCR hikes** (we currently favour late-2018). The combination of a softer housing market and growth outlook, but higher cost-push inflation pressures, is hardly a clear picture.

**However, it does seem likely that the mix of monetary conditions is set to change going forward.** A lower NZD/higher interest rate mix seems more likely than would have been the case otherwise. On some levels, that is hardly a bad thing for an economy that has had a historically poor saving performance. And the high exchange rate has long been a bugbear of the Reserve Bank and others who lament the poor long-term relative performance of the New Zealand tradable sector. However, it is hardly a favourable mix for the likes of company earnings, so we suspect we will be spending a bit of time thinking about the implications of that.

**Turning to the week ahead, the housing market, and its potential spill-overs to the broader economy, will continue to be front of mind.**

**REINZ housing market figures for October will likely remain soft.** As mentioned, anecdotes have remained subdued post-election, so we wouldn’t be surprised to see turnover volumes remain low (even if they bounce a little off September levels) and house price inflation continue to be modest. In September, seasonally adjusted turnover plunged 9.8% m/m to the lowest level since October 2011. The REINZ House Price Index lifted 0.9% m/m (sa), with annual growth at 2.1% y/y, although prices in Auckland remained down 0.7% y/y.

**Figure 4: National house sales and prices**



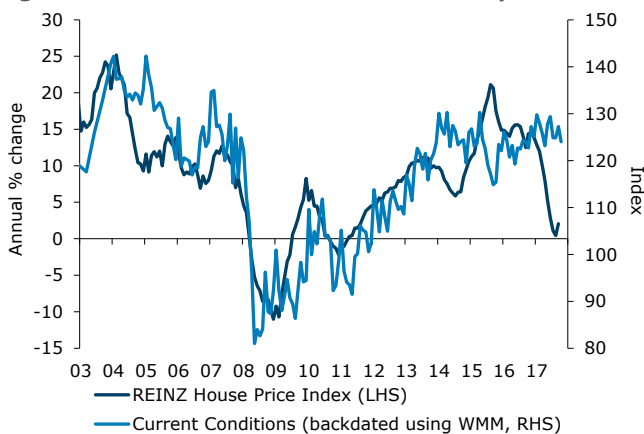
Source: REINZ, ANZ Research

**Our consumer confidence figures for November**

## ECONOMIC OVERVIEW

**will obviously be watched to see if there are signs of broader spill over.** Sentiment did fall a little in October, off September's three year high. However, it is fair to say that so far there has been little sign of consumer optimism being dented by the weaker housing market or election-related uncertainty (this month's figures will fully incorporate the announcement of the new Government). We'll be watching to see if that has remained the case.

**Figure 5: Consumer confidence and house prices**



Source: REINZ, Roy Morgan, WMM, ANZ Research

**It is a similar story for the BNZ-BusinessNZ PMI and PSI indices; will political uncertainty affect sentiment at all?** Both the PMI and PSI have been bouncing around at reasonable levels since the start of the year, within a roughly 53-59 range. They have averaged 56.5 and 57.2 for manufacturing and services respectively since January, which is consistent with a decent pace of underlying activity momentum. However, given movements in our own Business Outlook, and anecdotes we have received, the risks look skewed towards numbers falling towards the bottom of recent ranges.

### LOCAL DATA

**ANZ Commodity Prices – October.** The headline index dipped 0.3% m/m, but a lower currency saw NZD prices surge 2.5% m/m.

**RBNZ Survey of Expectations – Q4.** One and 2-year ahead inflation expectations sat at 1.87% and 2.02% respectively.

**Government Financial Statements – September.** An OBEGAL deficit of \$90mn was recorded, very close to Budget forecasts.

**GlobalDairyTrade Auction.** The GDT-TWI fell 3.5%, while the WMP price index fell 5.5%.

**ANZ Truckometer – October.** The Heavy Traffic Index rose 2.9% m/m (sa), while the Light Traffic Index fell 0.6% m/m.

**ANZ Monthly Inflation Gauge – October.** Prices rose 0.2% m/m, to be up 2.7% y/y.

**Electronic Card Transactions – October.** Total retail spending rose 0.3% m/m, while core spending rose 0.4% m/m.

# DATA EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	MKT.	LAST	NZ TIME
14-Nov	US	Monthly Budget Statement - Oct	-\$50.0B	-\$45.8B	08:00
	AU	ANZ-RM Consumer Confidence Index - 12-Nov	--	112.6	11:30
	AU	NAB Business Conditions - Oct	--	14	13:30
	AU	NAB Business Confidence - Oct	--	7	13:30
	CH	Retail Sales YoY - Oct	10.4%	10.3%	15:00
	CH	Retail Sales YTD YoY - Oct	10.4%	10.4%	15:00
	CH	Fixed Assets Ex Rural YTD YoY - Oct	7.3%	7.5%	15:00
	CH	Industrial Production YoY - Oct	6.3%	6.6%	15:00
	CH	Industrial Production YTD YoY - Oct	6.7%	6.7%	15:00
	GE	GDP SA QoQ - Q3 P	--	0.6%	20:00
	GE	GDP WDA YoY - Q3 P	--	2.1%	20:00
	GE	GDP NSA YoY - Q3 P	--	0.8%	20:00
	GE	CPI MoM - Oct F	--	0.0%	20:00
	GE	CPI YoY - Oct F	--	1.6%	20:00
	GE	CPI EU Harmonized MoM - Oct F	--	-0.1%	20:00
	GE	CPI EU Harmonized YoY - Oct F	--	1.5%	20:00
	UK	CPI MoM - Oct	--	0.3%	22:30
	UK	CPI YoY - Oct	--	3.0%	22:30
	UK	CPI Core YoY - Oct	--	2.7%	22:30
	UK	Retail Price Index - Oct	--	275.1	22:30
	UK	RPI MoM - Oct	--	0.1%	22:30
	UK	RPI YoY - Oct	--	3.9%	22:30
	UK	PPI Input NSA MoM - Oct	--	0.4%	22:30
	UK	PPI Input NSA YoY - Oct	--	8.4%	22:30
	UK	PPI Output NSA MoM - Oct	--	0.2%	22:30
	UK	PPI Output NSA YoY - Oct	--	3.3%	22:30
	UK	PPI Output Core NSA MoM - Oct	--	0.0%	22:30
	UK	PPI Output Core NSA YoY - Oct	--	2.5%	22:30
	UK	House Price Index YoY - Sep	--	5.0%	22:30
	EC	Industrial Production SA MoM - Sep	--	1.4%	23:00
	EC	Industrial Production WDA YoY - Sep	--	3.8%	23:00
	GE	ZEW Survey Current Situation - Nov	--	87.0	23:00
	EC	ZEW Survey Expectations - Nov	--	26.7	23:00
	GE	ZEW Survey Expectations - Nov	--	17.6	23:00
	EC	GDP SA QoQ - Q3 P	--	0.6%	23:00
	EC	GDP SA YoY - Q3 P	--	2.5%	23:00
15-Nov	US	NFIB Small Business Optimism - Oct	104.5	103.0	00:00
	US	PPI Final Demand MoM - Oct	0.1%	0.4%	02:30
	US	PPI Final Demand YoY - Oct	--	2.6%	02:30
	US	PPI Ex Food and Energy MoM - Oct	0.2%	0.4%	02:30
	US	PPI Ex Food and Energy YoY - Oct	--	2.2%	02:30
	AU	Westpac Consumer Conf SA MoM - Nov	--	3.6%	12:30
	JN	GDP SA QoQ - Q3 P	0.3%	0.6%	12:50
	JN	GDP Annualized SA QoQ - Q3 P	1.4%	2.5%	12:50
	AU	Wage Price Index QoQ - Q3	--	0.5%	13:30
	AU	Wage Price Index YoY - Q3	--	1.9%	13:30
	AU	New Motor Vehicle Sales MoM - Oct	--	-0.5%	13:30
	AU	New Motor Vehicle Sales YoY - Oct	--	-0.8%	13:30
	UK	Claimant Count Rate - Oct	--	2.3%	22:30

Continued on following page

## DATA EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	MKT.	LAST	NZ TIME
15-Nov	UK	Jobless Claims Change - Oct	--	1.7k	22:30
	UK	ILO Unemployment Rate 3Mths - Sep	--	4.3%	22:30
	UK	Employment Change 3M/3M - Sep	--	94k	22:30
	EC	Trade Balance SA - Sep	--	€21.6B	23:00
	EC	Trade Balance NSA - Sep	--	€16.1B	23:00
16-Nov	US	MBA Mortgage Applications - 10-Nov	--	0.0%	01:00
	US	CPI MoM - Oct	0.1%	0.5%	02:30
	US	CPI YoY - Oct	2.0%	2.2%	02:30
	US	CPI Ex Food and Energy MoM - Oct	0.2%	0.1%	02:30
	US	CPI Ex Food and Energy YoY - Oct	1.7%	1.7%	02:30
	US	Empire Manufacturing - Nov	26.2	30.2	02:30
	US	Retail Sales Advance MoM - Oct	0.0%	1.6%	02:30
	US	Retail Sales Ex Auto MoM - Oct	0.2%	1.0%	02:30
	US	Retail Sales Ex Auto and Gas - Oct	--	0.5%	02:30
	US	Retail Sales Control Group - Oct	0.3%	0.4%	02:30
	US	Business Inventories - Sep	0.0%	0.7%	04:00
	US	Total Net TIC Flows - Sep	--	\$125.0B	10:00
	US	Net Long-term TIC Flows - Sep	--	\$67.2B	10:00
	NZ	ANZ Consumer Confidence Index - Nov	--	126.3	13:00
	AU	Employment Change - Oct	--	19.8k	13:30
	AU	Unemployment Rate - Oct	--	5.5%	13:30
	AU	Participation Rate - Oct	--	65.2%	13:30
	NZ	Non Resident Bond Holdings - Oct	--	60.4%	15:00
	UK	Retail Sales Ex Auto Fuel MoM - Oct	--	-0.7%	22:30
	UK	Retail Sales Ex Auto Fuel YoY - Oct	--	1.6%	22:30
	UK	Retail Sales Inc Auto Fuel MoM - Oct	--	-0.8%	22:30
	UK	Retail Sales Inc Auto Fuel YoY - Oct	--	1.2%	22:30
	EC	CPI MoM - Oct	--	0.4%	23:00
	EC	CPI YoY - Oct F	--	1.5%	23:00
	EC	CPI Core YoY - Oct F	--	0.9%	23:00
17-Nov	US	Initial Jobless Claims - 11-Nov	235k	239k	02:30
	US	Continuing Claims - 4-Nov	1910k	1901k	02:30
	US	Philadelphia Fed Business Outlook - Nov	24.1	27.9	02:30
	US	Import Price Index MoM - Oct	0.4%	0.7%	02:30
	US	Import Price Index YoY - Oct	--	2.7%	02:30
	US	Export Price Index MoM - Oct	0.4%	0.8%	02:30
	US	Export Price Index YoY - Oct	--	2.9%	02:30
	US	Industrial Production MoM - Oct	0.5%	0.3%	03:15
	US	NAHB Housing Market Index - Nov	67.0	68.0	04:00
	NZ	BusinessNZ Manufacturing PMI - Oct	--	57.5	10:30
	NZ	PPI Output QoQ - Q3	--	1.3%	10:45
	NZ	PPI Input QoQ - Q3	--	1.4%	10:45
	EC	ECB Current Account SA - Sep	--	€33.3B	22:00
	EC	Current Account NSA - Sep	--	€29.6B	22:00
18-Nov	US	Housing Starts - Oct	1183k	1127k	02:30
	US	Housing Starts MoM - Oct	5.0%	-4.7%	02:30
	US	Building Permits - Oct	1242k	1225k	02:30
	US	Building Permits MoM - Oct	1.4%	-3.7%	02:30
	US	Kansas City Fed Manf. Activity - Nov	--	23.0	05:00

Key: AU: Australia, EC: Eurozone, GE: Germany, JN: Japan, NZ: New Zealand, UK: United Kingdom, US: United States, CH: China.

Source: Dow Jones, Reuters, Bloomberg, ANZ Bank New Zealand Limited. All \$ values in local currency.

Note: All surveys are preliminary and subject to change



## LOCAL DATA WATCH

The risk profile for the near-term growth picture is looking more skewed to the downside. Housing, capacity and credit headwinds exist. However, we still see growth holding in a 2½-3% range over the next couple of years. While medium-term inflation risks look to be shifting, we doubt that will be enough to alter the outlook for the OCR much; it looks set to be on hold for some time yet.

DATE	DATA/EVENT	ECONOMIC SIGNAL	COMMENT
13-17 Nov	REINZ Housing Market Statistics – Oct	Soft	Low turnover levels and soft house price growth should persist.
Thu 16 Nov (1:00pm)	ANZ-Roy Morgan Consumer Confidence – Nov	--	--
Fri 17 Nov (10:30am)	BNZ-BusinessNZ PMI – Oct	Steady?	Political change can be unsettling. Important to watch for any growth impact.
Fri 17 Nov (10:45am)	PPI – Q3	Look through	Commodity prices and wholesale electricity prices typically throw things around.
Mon 20 Nov (10:30am)	BNZ-BusinessNZ PSI – Oct	Steady?	Political change can be unsettling. Important to watch for any growth impact.
Wed 22 Nov (early am)	GlobalDairyTrade Auction	Cautious	The market is getting nervous around local supply, which is off to a slow start. However, Chinese demand hasn't been as strong as anticipated.
Wed 22 Nov (10:45am)	International Travel & Migration – Oct	Passed the peak	Even before potential policy changes, it appears net inflows have started to cool.
Thu 23 Nov (10:45am)	Retail Trade Survey – Q3	Pause	After a run of strong growth, in part due to tourism activity, a softer performance (perhaps even a fall) is possible.
Fri 24 Nov (10:45am)	Overseas Merchandise Trade – Oct	Mixed	Strong commodity prices should continue to support, but thrown around by numerous other forces.
Fri 24 Nov (3:00pm)	RBNZ New Mortgage Lending – Oct	Soft	It is hard to see these figures doing anything other than showing a soft pace of new lending, especially for investors.
Wed 29 Nov (9:00am)	RBNZ Financial Stability Report	Sound, with risks	The financial system will be judged to be sound, but risks will remain. Any commentary on potential LVR removal will be jumped on.
Thu 30 Nov (10:45am)	Building Consent Issuance – Oct	Steady	We still see annual dwelling consent issuance struggling to push much above 30k.
Thu 30 Nov (1:00pm)	ANZ Business Outlook – Nov	--	--
Thu 30 Nov (3:00pm)	RBNZ Sectoral Lending – Oct	Steady	Private sector credit growth has slowed. We expect this slow pace to have been maintained.
Fri 1 Dec (10:45am)	Overseas Trade Indexes – Q3	Flat	We see the terms of trade holding broadly steady at near historic highs.
Tue 5 Dec (10:45am)	Building Work Put in Place – Q3	Mixed	There is the potential for a bounce, but we believe the upside is capped by capacity pressures.
Tue 5 Dec (1:00pm)	ANZ Commodity Price Index – Nov	--	--
Wed 6 Dec (early am)	GlobalDairyTrade Auction	Cautious	The market is nervous around local supply. However, Chinese demand hasn't been as strong as anticipated.
Wed 6 Dec (10:00am)	ANZ Job Ads – Nov	--	--
Fri 8 Dec (10:45am)	Economic Survey of Manufacturing – Q3	Mixed	Primary related manufacturing is likely to have been weak. The question is whether core industries have been able to offset this.
<b>On balance</b>		<b>Data watch</b>	<b>The data pulse has turned a little more mixed. Domestic inflation is low, but should lift gradually.</b>



## KEY FORECASTS AND RATES

	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
GDP (% qoq)	0.8	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
GDP (% yoy)	2.5	<b>2.0</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>	<b>2.9</b>	<b>3.2</b>	<b>3.3</b>	<b>3.1</b>	<b>2.8</b>
CPI (% qoq)	0.0	0.5	<b>0.3</b>	<b>0.6</b>	<b>0.3</b>	<b>0.7</b>	<b>0.3</b>	<b>0.7</b>	<b>0.6</b>	<b>0.8</b>
CPI (% yoy)	1.7	1.9	<b>1.8</b>	<b>1.5</b>	<b>1.8</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>
Employment (% qoq)	-0.1	2.2	<b>-0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
Employment (% yoy)	3.1	4.1	<b>2.8</b>	<b>2.1</b>	<b>2.6</b>	<b>0.8</b>	<b>1.6</b>	<b>1.4</b>	<b>1.3</b>	<b>1.2</b>
Unemployment Rate (% sa)	4.8	4.6	<b>4.7</b>	<b>4.6</b>	<b>4.5</b>	<b>4.5</b>	<b>4.4</b>	<b>4.4</b>	<b>4.4</b>	<b>4.4</b>
Current Account (% GDP)	-2.9	<b>-2.7</b>	<b>-2.7</b>	<b>-2.4</b>	<b>-2.6</b>	<b>-2.7</b>	<b>-2.8</b>	<b>-2.8</b>	<b>-2.7</b>	<b>-2.7</b>
Terms of Trade (% qoq)	1.6	<b>1.0</b>	<b>-1.7</b>	<b>-1.4</b>	<b>-0.7</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
Terms of Trade (% yoy)	10.3	<b>12.8</b>	<b>4.8</b>	<b>-0.5</b>	<b>-2.7</b>	<b>-3.7</b>	<b>-2.0</b>	<b>-0.4</b>	<b>0.4</b>	<b>0.4</b>

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Retail ECT (% mom)	2.5	-0.6	-0.3	1.0	-0.4	-0.1	-0.5	-0.1	0.3	0.2
Retail ECT (% yoy)	5.6	2.6	5.6	4.5	5.2	4.5	2.0	4.4	2.9	1.2
Credit Card Billings (% mom)	0.4	-1.3	1.0	1.0	0.9	0.2	0.7	-0.7	0.7	--
Credit Card Billings (% yoy)	7.1	5.4	7.2	6.6	7.6	8.3	7.0	6.4	4.9	--
Car Registrations (% mom)	1.6	0.5	3.4	-2.7	3.7	-2.7	-4.6	9.3	-1.4	2.5
Car Registrations (% yoy)	12.2	7.3	16.5	3.0	13.7	11.1	6.2	13.5	15.6	7.3
Building Consents (% mom)	-1.5	14.4	-1.7	-1.9	1.8	0.9	3.2	5.9	-2.3	--
Building Consents (% yoy)	-1.2	6.8	11.3	4.0	5.3	-8.0	-1.4	13.9	7.5	--
REINZ House Price Index (% yoy)	12.9	12.0	10.1	8.0	5.2	2.9	1.1	0.4	2.1	--
Household Lending Growth (% mom)	0.5	0.5	0.5	0.5	0.4	0.5	0.3	0.4	0.5	--
Household Lending Growth (% yoy)	8.9	8.7	8.7	8.3	7.9	7.6	7.1	6.7	6.5	--
ANZ Roy Morgan Consumer Conf.	128.7	127.4	125.2	121.7	123.9	127.8	125.4	126.2	129.9	126.3
ANZ Business Confidence	..	16.6	11.3	11.0	14.9	24.8	19.4	18.3	0.0	-10.1
ANZ Own Activity Outlook	..	37.2	38.8	37.7	38.3	42.8	40.3	38.2	29.6	22.2
Trade Balance (\$m)	-227	-42	262	547	62	243	91	-1179	-1143	--
Trade Bal (\$m ann)	51901	52087	52404	52588	53218	53530	53742	53982	54049	--
ANZ World Comm. Price Index (% mom)	-0.1	2.0	0.4	-0.2	3.2	2.1	-0.8	-0.8	0.8	-0.3
ANZ World Comm. Price Index (% yoy)	19.1	20.9	23.0	23.7	26.3	24.6	21.1	16.3	11.5	10.4
Net Migration (sa)	6320	5920	6150	5810	5930	6300	5710	5420	5200	--
Net Migration (ann)	71305	71333	71932	71885	71964	72305	72402	72072	70986	--
ANZ Heavy Traffic Index (% mom)	-0.9	2.0	1.5	-2.2	4.0	-0.5	-6.0	6.5	-1.5	2.9
ANZ Light Traffic Index (% mom)	-0.3	0.8	1.3	-1.4	1.2	1.2	-2.2	2.7	-0.1	-0.6

Figures in bold are forecasts. mom: Month-on-Month; qoq: Quarter-on-Quarter; yoy: Year-on-Year

## KEY FORECASTS AND RATES

FX RATES	ACTUAL			FORECAST (END MONTH)						
	Sep-17	Oct-17	Today	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
NZD/USD	0.721	0.684	0.693	0.73	0.73	0.73	0.70	0.68	0.67	0.65
NZD/AUD	0.920	0.893	0.906	0.89	0.89	0.88	0.91	0.92	0.93	0.93
NZD/EUR	0.610	0.588	0.594	0.63	0.63	0.66	0.63	0.59	0.57	0.52
NZD/JPY	81.11	77.56	78.67	86.1	87.6	81.8	75.6	71.4	67.0	65.0
NZD/GBP	0.538	0.518	0.526	0.55	0.54	0.54	0.52	0.52	0.52	0.48
NZ\$ TWI	74.4	71.4	73.7	75.6	75.9	75.7	73.2	71.0	69.4	66.5
INTEREST RATES	Sep-17	Oct-17	Today	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
NZ OCR	1.75	1.75	1.75	1.75	1.75	1.75	1.75	2.00	2.25	2.25
NZ 90 day bill	1.96	1.94	1.94	1.96	1.97	1.98	2.08	2.34	2.50	2.50
NZ 10-yr bond	2.97	2.92	2.93	2.80	2.85	2.95	3.15	3.30	3.30	3.30
US Fed funds	1.25	1.25	1.25	1.50	1.50	1.75	2.00	2.25	2.25	2.25
US 3-mth	1.33	1.38	1.41	1.65	1.75	2.05	2.20	2.45	2.45	2.45
AU Cash Rate	1.50	1.50	1.50	1.50	1.50	1.75	2.00	2.00	2.00	2.00
AU 3-mth	1.71	1.69	1.71	1.70	1.80	2.00	2.30	2.40	2.40	2.40

	10 Oct	6 Nov	7 Nov	8 Nov	9 Nov	10 Nov
Official Cash Rate	1.75	1.75	1.75	1.75	1.75	1.75
90 day bank bill	1.93	1.94	1.94	1.94	1.94	1.94
NZGB 03/19	1.91	1.87	1.89	1.91	1.91	1.90
NZGB 05/21	2.27	2.09	2.13	2.18	2.19	2.19
NZGB 04/23	2.58	2.37	2.40	2.46	2.48	2.47
NZGB 04/27	3.02	2.79	2.82	2.90	2.93	2.92
2 year swap	2.21	2.18	2.20	2.21	2.21	2.21
5 year swap	2.75	2.63	2.65	2.69	2.71	2.71
RBNZ TWI	74.93	73.49	73.88	73.49	73.93	73.88
NZD/USD	0.7070	0.6945	0.6901	0.6966	0.6948	0.6937
NZD/AUD	0.9090	0.9030	0.9027	0.9073	0.9046	0.9054
NZD/JPY	79.49	78.97	78.67	79.31	78.83	78.72
NZD/GBP	0.5354	0.5272	0.5242	0.5311	0.5285	0.5256
NZD/EUR	0.5987	0.5982	0.5956	0.6007	0.5968	0.5946
AUD/USD	0.7778	0.7691	0.7645	0.7678	0.7680	0.7661
EUR/USD	1.1808	1.1610	1.1587	1.1595	1.1642	1.1665
USD/JPY	112.45	113.71	114.01	113.87	113.47	113.53
GBP/USD	1.3203	1.3171	1.3166	1.3116	1.3145	1.3196
Oil (US\$/bbl)	50.92	57.35	57.20	56.81	57.17	56.74
Gold (US\$/oz)	1288.03	1281.95	1275.30	1281.36	1285.07	1275.07
Electricity (Haywards)	6.12	6.43	7.47	7.19	6.99	7.48
Baltic Dry Freight Index	1418	1473	1477	1486	1481	1464
NZX WMP Futures (US\$/t)	3100	2925	2900	2820	2820	2800

# IMPORTANT NOTICE

The distribution of this document or streaming of this video broadcast (as applicable, "publication") may be restricted by law in certain jurisdictions. Persons who receive this publication must inform themselves about and observe all relevant restrictions.

## 1. Disclaimer for all jurisdictions, where content is authored by ANZ Research:

Except if otherwise specified in section 2 below, this document is issued and distributed in your country/region by Australia and New Zealand Banking Group Limited (ABN11 005 357 522) ("ANZ"), on the basis that it is only for the information of the specified recipient or permitted user of the relevant website (collectively, "recipient"). This document is confidential and may not be reproduced, distributed or published by any recipient for any purpose. It is general information and has been prepared without taking into account the objectives, financial situation or needs of any person. Nothing in this document is intended to be an offer to sell, or a solicitation of an offer to buy, any product, security, instrument or investment, to effect any transaction or to conclude any legal act of any kind. If, despite the foregoing, any services or products referred to in this document are deemed to be offered in the jurisdiction in which this document is received or accessed, no such service or product is intended for nor available to persons resident in that jurisdiction if it would be contradictory to local law or regulation. Such local laws, regulations and other limitations always apply with non-exclusive jurisdiction of local courts. Certain financial products may be subject to mandatory clearing, regulatory reporting and/or other related obligations. These obligations may vary by jurisdiction and be subject to frequent amendment. Before making an investment decision, recipients should seek independent financial, legal, tax and other relevant advice having regard to their particular circumstances.

The views and recommendations expressed in this publication are the author's. They are based on information known by the author and on sources which the author believes to be reliable, but may involve material elements of subjective judgement and analysis. Unless specifically stated otherwise: they are current on the date of this publication and are subject to change without notice; and, all price information is indicative only. Any of the views and recommendations which comprise estimates, forecasts or other projections, are subject to significant uncertainties and contingencies that cannot reasonably be anticipated. On this basis, such views and recommendations may not always be achieved or prove to be correct. Indications of past performance in this publication will not necessarily be repeated in the future. No representation is being made that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Additionally, this publication may contain 'forward looking statements'. Actual events or results or actual performance may differ materially from those reflected or contemplated in such forward looking statements. All investments entail a risk and may result in both profits and losses. Foreign currency rates of exchange may adversely affect the value, price or income of any products or services described in this publication. The products and services described in this publication are not suitable for all investors, and transacting in these products or services may be considered risky. ANZ and its related bodies corporate and affiliates, and the officers, employees, contractors and agents of each of them (including the author) ("Affiliates"), do not make any representation as to the accuracy, completeness or currency of the views or recommendations expressed in this publication. Neither ANZ nor its Affiliates accept any responsibility to inform you of any matter that subsequently comes to their notice, which may affect the accuracy, completeness or currency of the information in this publication. Except as required by law, and only to the extent so required: neither ANZ nor its Affiliates warrant or guarantee the performance of any of the products or services described in this publication or any return on any associated investment; and, ANZ and its Affiliates expressly disclaim any responsibility and shall not be liable for any loss, damage, claim, liability, proceedings, cost or expense ("Liability") arising directly or indirectly and whether in tort (including negligence), contract, equity or otherwise out of or in connection with this publication.

If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. ANZ and its Affiliates do not accept any Liability as a result of electronic transmission of this publication.

ANZ and its Affiliates may have an interest in the subject matter of this publication as follows:

- They may receive fees from customers for dealing in the products or services described in this publication, and their staff and introducers of business may share in such fees or receive a bonus that may be influenced by total sales.
- They or their customers may have or have had interests or long or short positions in the products or services described in this publication, and may at any time make purchases and/or sales in them as principal or agent.
- They may act or have acted as market-maker in products described in this publication.

ANZ and its Affiliates may rely on information barriers and other arrangements to control the flow of information contained in one or more business areas within ANZ or within its Affiliates into other business areas of ANZ or of its Affiliates. This document is published in accordance with ANZ's policies on Conflicts of Interest and Information Barriers.

Please contact your ANZ point of contact with any questions about this publication including for further information on these disclosures of interest.

## 2. Country/region specific information:

**Australia.** This publication is distributed in Australia by ANZ. ANZ holds an Australian Financial Services licence no. 234527. A copy of ANZ's Financial Services Guide is available at <http://www.anz.com/documents/AU/aboutANZ/FinancialServicesGuide.pdf> and is available upon request from your ANZ point of contact. If trading strategies or recommendations are included in this publication, they are solely for the information of 'wholesale clients' (as defined in section 761G of the Corporations Act 2001 *Cth*). Persons who receive this publication must inform themselves about and observe all relevant restrictions.

**Brazil.** This publication is distributed in Brazil by ANZ on a cross border basis and only following request by the recipient. No securities are being offered or sold in Brazil under this publication, and no securities have been and will not be registered with the Securities Commission – CVM.

**Brunei. Japan. Kuwait. Malaysia. Switzerland. Taiwan.** This publication is distributed in each of Brunei, Japan, Kuwait, Malaysia, Switzerland and Taiwan by ANZ on a cross-border basis.

**Cambodia.** APS222 Disclosure. The recipient acknowledges that although ANZ Royal Bank (Cambodia) Ltd. is a subsidiary of ANZ, it is a separate entity to ANZ and the obligations of ANZ Royal Bank (Cambodia) Ltd. do not constitute deposits or other liabilities of ANZ and ANZ is not required to meet the obligations of ANZ Royal Bank (Cambodia) Ltd.

**European Economic Area ("EEA"): United Kingdom.** ANZ in the United Kingdom is authorised by the Prudential Regulation Authority ("PRA"). Subject to regulation by the Financial Conduct Authority ("FCA") and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request. This publication is distributed in the United Kingdom by ANZ solely for the information of persons who would come within the FCA definition of "eligible counterparty" or "professional client". It is not intended for and must not be distributed to any person who would come within the FCA definition of "retail client". Nothing here excludes or restricts any duty or liability to a customer which ANZ may have under the UK Financial Services and Markets Act 2000 or under the regulatory system as defined in the Rules of the PRA and the FCA. **Germany.** This publication is distributed in Germany by the Frankfurt Branch of ANZ solely for the information of its clients. **Other EEA countries.** This publication is distributed in the EEA by ANZ Bank (Europe) Limited ("ANZBEL") which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, to persons who would come within the FCA definition of "eligible counterparty" or "professional client" in other countries in the EEA. This publication is distributed in those countries solely for the information of such persons upon their request. It is not intended for, and must not be distributed to, any person in those countries who would come within the FCA definition of "retail client".

**Fiji.** For Fiji regulatory purposes, this publication and any views and recommendations are not to be deemed as investment advice. Fiji investors must seek licensed professional advice should they wish to make any investment in relation to this publication.

**Hong Kong.** This publication is issued or distributed in Hong Kong by the Hong Kong branch of ANZ, which is registered at the Hong Kong Monetary Authority to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities. The contents of this publication have not been reviewed by any regulatory authority in Hong Kong. If in doubt about the contents of this publication, you should obtain independent professional advice.

## IMPORTANT NOTICE

**India.** This publication is distributed in India by ANZ on a cross-border basis. If this publication is received in India, only you (the specified recipient) may print it provided that before doing so, you specify on it your name and place of printing. Further copying or duplication of this publication is strictly prohibited.

**Myanmar.** This publication is intended to be of a general nature as part of customer service and marketing activities provided by ANZ in the course of implementing its functions as a licensed bank. This publication does not take into account your financial situation or goals and is not Securities Investment Advice (as that term is defined in the Myanmar Securities Transaction Law 2013). The contents of this publication have not been reviewed by any regulatory authority in Myanmar. If in doubt about the contents of this publication, you should obtain independent professional advice.

**New Zealand.** This publication is intended to be of a general nature, does not take into account your financial situation or goals, and is not a personalised adviser service under the Financial Advisers Act 2008.

**Oman.** This publication has been prepared by ANZ. ANZ neither has a registered business presence nor a representative office in Oman and does not undertake banking business or provide financial services in Oman. Consequently ANZ is not regulated by either the Central Bank of Oman or Oman's Capital Market Authority. The information contained in this publication is for discussion purposes only and neither constitutes an offer of securities in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Law of Oman (Royal Decree 80/98), nor does it constitute an offer to sell, or the solicitation of any offer to buy non-Omani securities in Oman as contemplated by Article 139 of the Executive Regulations to the Capital Market Law (issued vide CMA Decision 1/2009). ANZ does not solicit business in Oman and the only circumstances in which ANZ sends information or material describing financial products or financial services to recipients in Oman, is where such information or material has been requested from ANZ and by receiving this publication, the person or entity to whom it has been dispatched by ANZ understands, acknowledges and agrees that this publication has not been approved by the CBO, the CMA or any other regulatory body or authority in Oman. ANZ does not market, offer, sell or distribute any financial or investment products or services in Oman and no subscription to any securities, products or financial services may or will be consummated within Oman. Nothing contained in this publication is intended to constitute Omani investment, legal, tax, accounting or other professional advice.

**People's Republic of China ("PRC").** Recipients must comply with all applicable laws and regulations of PRC, including any prohibitions on speculative transactions and CNY/CNH arbitrage trading. If and when the material accompanying this document is distributed by Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) ("ANZ") or an affiliate (other than Australia and New Zealand Bank (China) Company Limited ("ANZ C")), the following statement and the text below is applicable: No action has been taken by ANZ or any affiliate which would permit a public offering of any products or services of such an entity or distribution or re-distribution of this document in the PRC. Accordingly, the products and services of such entities are not being offered or sold within the PRC by means of this document or any other document. This document may not be distributed, re-distributed or published in the PRC, except under circumstances that will result in compliance with any applicable laws and regulations. If and when the material accompanying this document relates to the products and/or services of ANZ C, the following statement and the text below is applicable: This document is distributed by ANZ C in the Mainland of the PRC.

**Qatar.** This publication has not been, and will not be lodged or registered with, or reviewed or approved by, the Qatar Central Bank ("QCB"), the Qatar Financial Centre ("QFC") Authority, QFC Regulatory Authority or any other authority in the State of Qatar ("Qatar"); or authorised or licensed for distribution in Qatar; and the information contained in this publication does not, and is not intended to, constitute a public offer or other invitation in respect of securities in Qatar or the QFC. The financial products or services described in this publication have not been, and will not be registered with the QCB, QFC Authority, QFC Regulatory Authority or any other governmental authority in Qatar; or authorised or licensed for offering, marketing, issue or sale, directly or indirectly, in Qatar. Accordingly, the financial products or services described in this publication are not being, and will not be, offered, issued or sold in Qatar, and this publication is not being, and will not be, distributed in Qatar. The offering, marketing, issue and sale of the financial products or services described in this publication and distribution of this publication is being made in, and is subject to the laws, regulations and rules of, jurisdictions outside of Qatar and the QFC. Recipients of this publication must abide by this restriction and not distribute this publication in breach of this restriction. This publication is being sent/issued to a limited number of institutional and/or sophisticated investors (i) upon their request and confirmation that they understand the statements above; and (ii) on the condition that it will not be provided to any person other than the original recipient, and is not for general circulation and may not be reproduced or used for any other purpose.

**Singapore.** This publication is distributed in Singapore by the Singapore branch of ANZ solely for the information of "accredited investors", "expert investors" or (as the case may be) "institutional investors" (each term as defined in the Securities and Futures Act Cap. 289 of Singapore). ANZ is licensed in Singapore under the Banking Act Cap. 19 of Singapore and is exempted from holding a financial adviser's licence under Section 23(1)(a) of the Financial Advisers Act Cap. 100 of Singapore. In respect of any matters arising from, or in connection with the distribution of this publication in Singapore, contact your ANZ point of contact.

**United Arab Emirates.** This publication is distributed in the United Arab Emirates ("UAE") or the Dubai International Financial Centre (as applicable) by ANZ. This publication: does not, and is not intended to constitute an offer of securities anywhere in the UAE; does not constitute, and is not intended to constitute the carrying on or engagement in banking, financial and/or investment consultation business in the UAE under the rules and regulations made by the Central Bank of the United Arab Emirates, the Emirates Securities and Commodities Authority or the United Arab Emirates Ministry of Economy; does not, and is not intended to constitute an offer of securities within the meaning of the Dubai International Financial Centre Markets Law No. 12 of 2004; and, does not constitute, and is not intended to constitute, a financial promotion, as defined under the Dubai International Financial Centre Regulatory Law No. 1 of 200. ANZ DIFC Branch is regulated by the Dubai Financial Services Authority ("DFSA"). The financial products or services described in this publication are only available to persons who qualify as "Professional Clients" or "Market Counterparty" in accordance with the provisions of the DFSA rules. In addition, ANZ has a representative office ("ANZ Representative Office") in Abu Dhabi regulated by the Central Bank of the United Arab Emirates. ANZ Representative Office is not permitted by the Central Bank of the United Arab Emirates to provide any banking services to clients in the UAE.

**United States.** ANZ Securities, Inc. ("ANZSI") is a member of the Financial Industry Regulatory Authority ("FINRA") ([www.finra.org](http://www.finra.org)) and registered with the SEC. ANZSI's address is 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). Except where this is an FX-related publication, this publication is distributed in the United States by ANZSI (a wholly owned subsidiary of ANZ), which accepts responsibility for its content. Information on any securities referred to in this publication may be obtained from ANZSI upon request. This publication or material is intended for institutional use only – not retail. If you are an institutional customer wishing to effect transactions in any securities referred to in this publication you must contact ANZSI, not its affiliates. ANZSI is authorised as a broker-dealer only for institutional customers, not for US Persons (as "US person" is defined in Regulation S under the US Securities Act of 1933, as amended) who are individuals. If you have registered to use this website or have otherwise received this publication and are a US Person who is an individual: to avoid loss, you should cease to use this website by unsubscribing or should notify the sender and you should not act on the contents of this publication in any way. Non-U.S. Analysts: Non-U.S. analysts may not be associated persons of ANZSI and therefore may not be subject to FINRA Rule 2242 restrictions on communications with subject company, public appearances and trading securities held by the analysts. Where this is an FX-related publication, it is distributed in the United States by ANZ's New York Branch, which is also located at 277 Park Avenue, 31st Floor, New York, NY 10172, USA (Tel: +1 212 801 9160 Fax: +1 212 801 9163). Commodity-related products are not insured by any U.S. governmental agency, and are not guaranteed by ANZ or any of its affiliates. Transacting in these products may involve substantial risks and could result in a significant loss. You should carefully consider whether transacting in commodity-related products is suitable for you in light of your financial condition and investment objectives.

**Vietnam.** This publication is distributed in Vietnam by ANZ or ANZ Bank (Vietnam) Limited, a subsidiary of ANZ. Please note that the contents of this publication have not been reviewed by any regulatory authority in Vietnam. If you are in any doubt about any of the contents of this publication, you should obtain independent professional advice.

This document has been prepared by ANZ Bank New Zealand Limited, Level 10, 171 Featherston Street, Wellington 6011, New Zealand, Ph 64-4-802 2212, e-mail [nzeconomics@anz.com](mailto:nzeconomics@anz.com), <http://www.anz.co.nz>

